

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,
v.
CROCKER ELECTRIC INC.,
ERICA TORRE, and
JEFFREY VAN REES,
Defendants.

Case No. 2:21-CV-00419-JAM-CKD

CROCKER ELECTRIC INC.,
ERICA TORRE, and
JEFFREY VAN REES,

Defendants.

Having considered the parties' Stipulation for Entry of Judgment against Crocker Electric, Inc., Erica Torre, and Jeffrey Van Rees, the Stipulation is **APPROVED** and it is hereby **ORDERED**:

1. The Court has jurisdiction over the Defendants and has subject matter jurisdiction over this matter.

2. The Court further finds, for the purposes of entry of this injunction, that the Defendants engaged in conduct that interfered with the enforcement of the internal revenue laws

3. The Court finds that an injunction is appropriate and necessary under 26 U.S.C. §

1 7402(a) and under this Court's inherent equity powers to prevent continued violations. The terms
2 of the injunction are as follows:

3 A. Crocker Electric shall, and Ms. Torre and Mr. Van Rees shall cause
4 Crocker Electric and any other employer entity that they control to, withhold from each
5 employee's paycheck an appropriate amount of income tax and the employee portion of
6 FICA and Medicare taxes;

7 B. Crocker Electric shall, and Ms. Torre and Mr. Van Rees shall cause
8 Crocker Electric and any other employer entity that they control to, timely deposit
9 withheld employee taxes, and employer FICA and Medicare taxes in an appropriate
10 federal depository bank in accordance with federal deposit regulations;

11 C. Crocker Electric shall, and Ms. Torre and Mr. Van Rees shall cause
12 Crocker Electric and any other employer entity that they control to, timely deposit FUTA
13 taxes in an appropriate federal depository bank each quarter in accordance with federal
14 deposit regulations;

15 D. Crocker Electric, Ms. Torre, and Mr. Van Rees shall sign and deliver to a
16 designated IRS Revenue Officer, or to such specific location as the IRS may deem
17 appropriate, within two business days after each required federal tax deposit is due to the
18 IRS, an affidavit stating that the required federal income taxes, FICA and Medicare taxes,
19 and FUTA taxes were fully and timely deposited for each pay period during the prior
20 month;

21 E. Crocker Electric shall, and Ms. Torre and Mr. Van Rees shall cause
22 Crocker Electric and any other employer entity that they control to, timely file Form 941
23 employment tax returns and Form 940 unemployment returns that come due after the date
24

1 of the injunction, and Ms. Torre or Mr. Van Rees shall provide a copy of each filed return
2 to a designated IRS Revenue Officer in such manner as the IRS deems appropriate,
3 within five days of filing;

4 F. Crocker Electric shall, and Ms. Torre and Mr. Van Rees shall cause
5 Crocker Electric and any other employer entity that they control to, timely pay all
6 required outstanding liabilities due on each return required to be filed under the Court's
7 injunction order;

8 G. Crocker Electric, Ms. Torre, and Mr. Van Rees are enjoined from paying
9 other creditors of Crocker Electric or from transferring, disbursing, or assigning any
10 money, property, or assets of Crocker Electric after the date of the injunction order until
11 after such time as the required deposits described in paragraphs B and C, and any
12 liabilities described in F, have been paid in full, for any tax period ending after the
13 injunction is issued;

14 H. Crocker Electric, Ms. Torre, and Mr. Van Rees are enjoined from
15 assigning and/or transferring any money or property to any other entity to have that entity
16 pay the salaries or wages of Crocker Electric's employees, except for a commercial
17 payroll services provider approved in advance by counsel for the United States;

18 I. Crocker Electric, Ms. Torre, and Mr. Van Rees shall permit a
19 representative from the IRS to inspect Crocker Electric's books and records periodically,
20 within two business days' notice of each inspection;

21 J. For the five-year period beginning on the date the injunction order is
22 entered, Ms. Torre and Mr. Van Rees shall notify, in writing, such Revenue Officer as the
23 IRS designates, if Ms. Torre or Mr. Van Rees comes to form, incorporate, own, or work
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1 in a managerial capacity for another business entity, within five business days of such
2 event. Regardless of such notification, the preceding subparagraphs of this paragraph A
3 through J shall apply to any employer entity controlled by Ms. Torre or Mr. Van Rees.
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5 K. Crocker Electric, Ms. Torre, and Mr. Van Rees shall deliver to all of their
6 current employees a copy of the Court's findings and injunction, within 30 days of the
7 date of the injunction order;

8 L. If Crocker Electric, Ms. Torre, or Mr. Van Rees violate any term of this
9 injunction, then counsel for the United States shall send defendants written notice of the
10 violation, and defendants shall have 10 days after notification is sent to cure the violation:

11 i. A "cure" for the violation includes making a late tax deposit and all
12 accruals on such tax; paying delinquent tax shown on a return and all
13 accruals on such tax; filing a delinquent tax return; and providing a
14 delinquent notification to the designated IRS Revenue Officer.

15 ii. If counsel for the United States has sent defendants three separate written
16 notifications for three separate violations, then counsel for the United
17 States shall no longer be obligated to send written notification of a
18 violation.

19 iii. If any violation not cured within ten days of notification or if, after the
20 third notification followed by cures, the United States becomes aware of a
21 new violation by Crocker Electric, Ms. Torre, or Mr. Van Rees, then the
22 United States shall be entitled to file with this Court a motion for an Order
23 to Show Cause why Crocker Electric, Ms. Torre, or Mr. Van Rees should
24 not be held in contempt of the injunction; and why Crocker Electric should

1 not be ordered to cease doing business immediately; and why Ms. Torre
2 and Mr. Van Rees should not be permanently enjoined from forming,
3 incorporating, or owning another or a successor business entity and from
4 working for any business in any capacity that includes any responsibility
5 for withholding, accounting for, or paying over employment taxes or for
6 filing employment tax returns.

7 M. This Court retains jurisdiction over this case for the five-year period to
8 ensure compliance with this injunction, including compliance with any post-judgment
9 discovery taken by the United States to ensure compliance with the injunction;

10 N. Judgment is entered favor of the United States and against Ms. Torre as to
11 Count Two of the Complaint for Trust Fund Recovery Penalties under 26 U.S.C. § 6672
12 for tax periods ending in March 2017, September 2017, December 2017, March 2018,
13 September 2018, December 2018, and March 2019, in the amount of \$369,314.60, as of
14 January 18, 2021, less any subsequent payments or credits, plus interest and other
15 statutory additions, as provided by law;

16 O. Judgment is entered in favor of the United States and against Mr. Van
17 Rees as to Count Three of the Complaint for Trust Fund Recovery Penalties under 26
18 U.S.C. § 6672 for tax periods ending in March 2017, September 2017, December 2017,
19 March 2018, September 2018, December 2018, and March 2019, in the amount of
20 \$369,312.05, as of January 18, 2021, less any subsequent payments or credits, plus
21 interest and other statutory additions, as provided by law;

22 P. Judgment is entered in favor of the United States and against Crocker
23 Electric as to Count Four of the Complaint for unpaid federal employment taxes (as
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1 required to be reported on IRS Form 941) for the tax periods ending in March 2012,
2 September 2012, December 2012, December 2013, March 2014, June 2014, September
3 2014, December 2014, September 2015, December 2015, June 2016, September 2016,
4 March 2017, June 2017, September 2017, December 2017, March 2018, June 2018,
5 September 2018, December 2018, March 2019, June 2019, and March 2020, and unpaid
6 federal unemployment taxes (as required to be reported in IRS Form 940) for the tax
7 periods ending in December of 2013, 2014, 2015, 2016, 2017, 2018, and 2019, in the
8 amount of \$1,500,146.82, as of January 31, 2021, less any subsequent payments or
9 credits, plus interest and other statutory additions, as provided by law; and

10 Q. The parties shall bear their own respective costs related to this litigation
11 including any possible attorney's fees.

12 IT IS SO ORDERED.

13
14 Dated: May 5, 2021

/s/ John A. Mendez

15 THE HONORABLE JOHN A. MENDEZ
16 UNITED STATES DISTRICT COURT JUDGE